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Dear Sir/Madam

## DRILLING COMMENCES AT HORSE WELL GOLD PROJECT, WA

### HIGHLIGHTS

- Reconnaissance exploration drilling program has begun to test greenstone geology and structures for gold mineralisation at the top end of the Yandal – Millrose greenstone belt.
- Targets occur in a large area of greenstone belt that sits under regolith cover in close proximity to the Company's 78,000 ounce gold resource.

### HORSE WELL PROJECT

Horse Well is located at the northern end of the Yandal-Millrose Greenstone belt in Western Australia. The Yandal belt hosts the multi-million ounce Darlot-Centenary, Bronzewing and Jundee gold mines, and Horse Well sits 50 kms to the north of the Jundee Gold Mine and 90 kms to the north of Wiluna (Figure 1). The Company owns 100% of the tenement through its subsidiary Eskay Resources Pty Ltd. It is exploring for additional gold and base metal resources, and is studying the viability of open cut gold mining at Palomino and adjacent prospects.

The Horse Well greenstone belt has only been explored in detail along the southern part of the belt, where the Company and previous explorers have identified 78,000 ounces of JORC indicated gold resources in near surface, oxide deposits where weathered rocks are exposed at surface (Table 1).

**Table 1.** Horse Well gold resources.

PROJECT	PROSPECT	JORC CATGORY	TONNES	GRADE (g/t Au)	OUNCES Au
Horse Well	Palomino	indicated	607,000	2.6	53,000
	Bronco	indicated	22,078	2.72	1,930
	Filly	indicated	151,199	1.86	9,043
	Filly SW	indicated	62,487	7.07	14,205

**total: 78,178**

A GIS study of all open file exploration data, combined with an aeromagnetic interpretation carried out by the Company and a geophysical consulting group, has identified several high priority structural targets in the northern and eastern parts of the greenstone belt. These targets have high potential for hosting gold mineralisation, and occur along flexures of major shear zones associated with gold anomalies in soils and major N-NE trending cross faults.

The target areas at Horse Well sit under transported regolith cover and are being tested by a systematic drilling program using rotary air blast and air core drilling (Figure 2). The drilling program is anticipated to be completed by the end of June 2008, and results will be announced to the market as they become available.

Yours faithfully,



**Dr JAYSON MEYERS**  
**Managing Director**

*The information in this report which relates to Exploration Results is based on information compiled by Dr. Jayson Meyers, Managing Director of Alloy Resources Limited and who is a Member of the Australian Institute of Geoscientists. Dr. Meyers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Dr. Meyers consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

#### **ABOUT ALLOY**

**Alloy is an exploration company whose current focus is base metals and gold in Laos and gold in Western Australia. Alloy's short to medium term goals are to:**

- **obtain approvals for a Cu-Au concession area in Xieng Khuang Province, Laos;**
- **explore and increase gold resources at the Horse Well Project; and**
- **expand the Company's resource base through acquisitions and aggressive exploration at all its Projects.**

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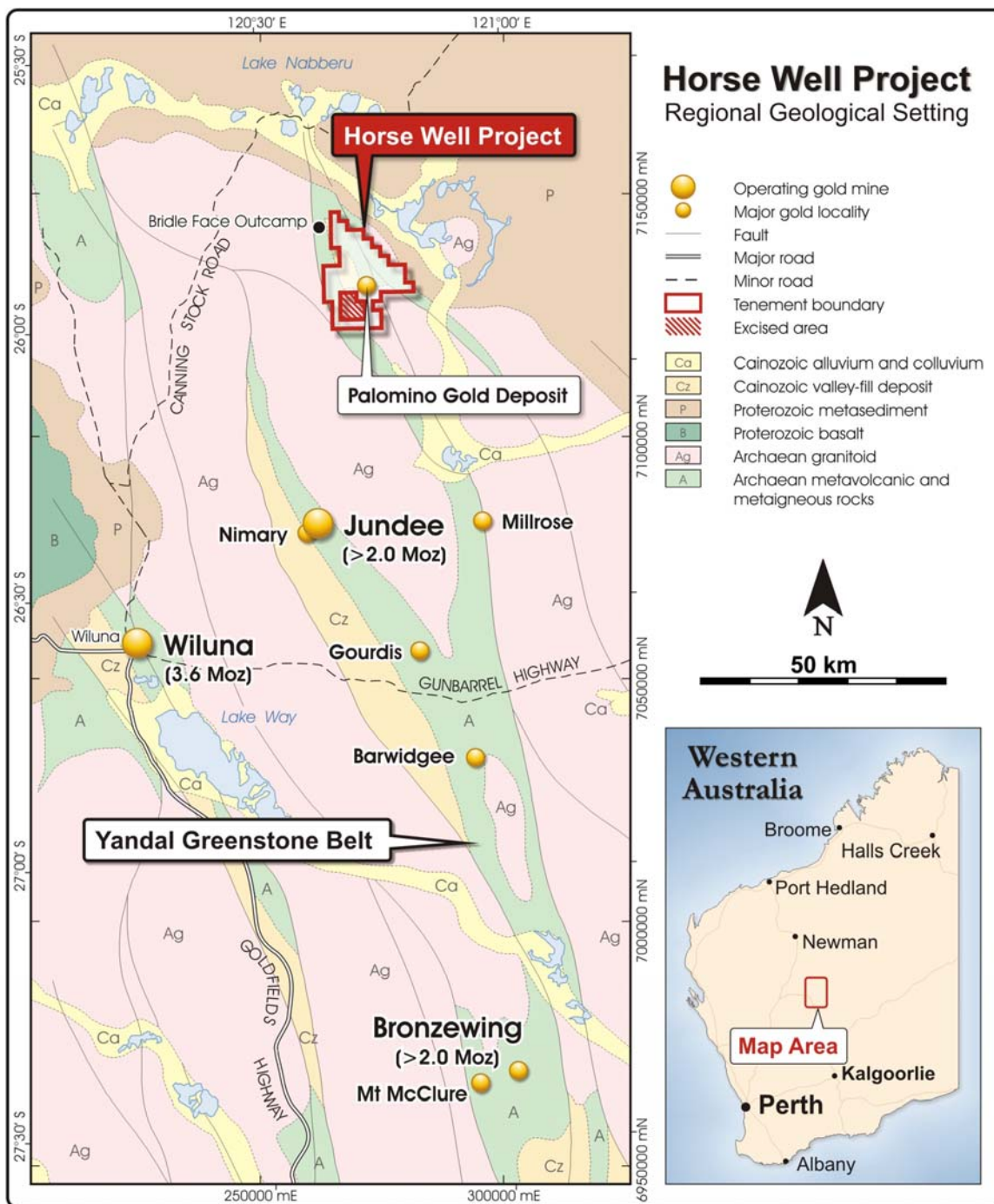


Figure 1. Simplified geology of the Yandal – Millrose greenstone belt.

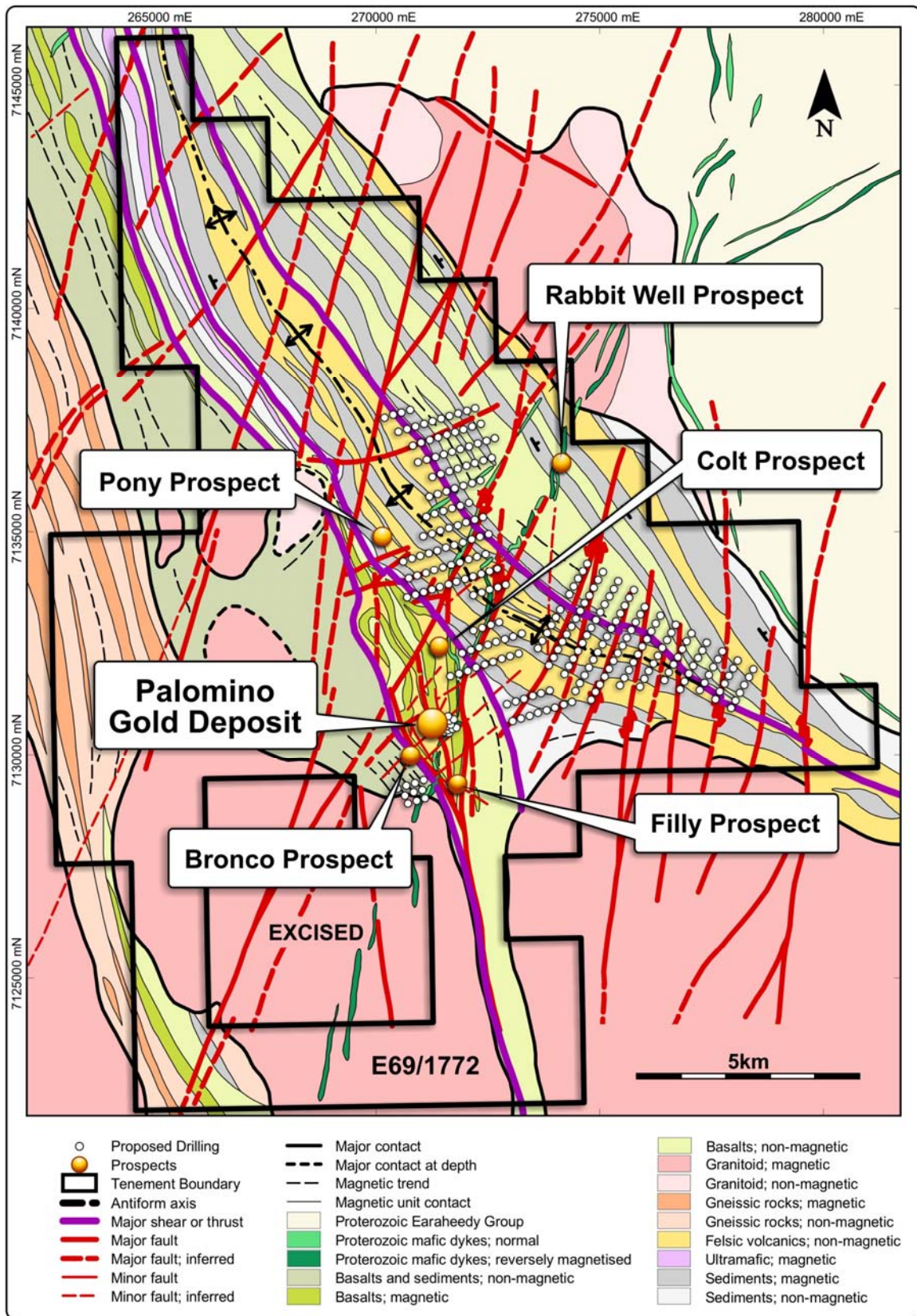


Figure 2. Interpreted map of bedrock geology at Horse Well and the location of RAB and air core drillholes for the current drilling campaign.